
OLR Bill Analysis

sSB 114

AN ACT ESTABLISHING A PROPERTY TAX PROGRAM TO ENCOURAGE THE PRESERVATION OF HISTORIC AGRICULTURAL STRUCTURES.

SUMMARY:

This bill authorizes municipalities to establish, by ordinance, a property tax incentive program to encourage the preservation of certain historic agricultural structures that are at least 75 years old and meet other criteria. Under the program, a property owner agrees to offer a municipality a preservation easement for the historic structure for up to 10 years in exchange for a property tax break. If the easement is accepted, the owner must maintain the structure in keeping with its historic integrity and character. The bill provides a mechanism for terminating easements under specified conditions and authorizes municipalities to penalize property owners who do not comply with their easement agreements.

EFFECTIVE DATE: Upon passage

HISTORIC AGRICULTURAL STRUCTURES

Under the bill, "historic agricultural structures" are barns listed on the national or state Register of Historic Places, stone walls, and other structures, including the land necessary for these structures' function. The structures must be at least 75 years old and currently or formerly used for agricultural purposes. They must also:

1. provide scenic enjoyment to the general public from a public road;
2. be historically important on a local, regional, state, or national level, on their own or as part of an historic district established under state law; or

3. have physical or aesthetic features that contribute to the historic or cultural integrity of a property located on, or eligible for, the national or state Register of Historic Places.

APPLICATION FOR ABATEMENT

The bill allows municipalities to establish a property tax abatement program for historic agricultural structures. A municipality's legislative body (or if the legislative body is a town meeting, its board of selectmen or town council) must prescribe the application form for the abatement. The application must include a certification by the owner that, during the term of any preservation easement the legislative body accepts, he or she will maintain the structure in keeping with its historic integrity and character.

If the legislative body accepts the easement, it must establish a reduced property tax payment reflecting, in its sole discretion, the value of the public benefit received from the preservation easement. The amount must be fixed for the term of the easement, which may be up to 10 years under the bill. Tax abatement terms must begin on the first of January preceding the start of the tax year.

TERMINATING AN EASEMENT

The bill requires the legislative body to release the easement at the owner's request if it determines that the:

1. owner cannot comply with the agreement due to extreme personal hardship or
2. historic agricultural structure has been significantly damaged or destroyed by fire, storm, or any other unforeseen circumstance outside of the owner's control.

The bill authorizes municipalities to penalize property owners who fail to maintain the historic structure in accordance with an easement agreement by levying an early release penalty and terminating the easement.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable Change of Reference

Yea 15 Nay 0 (03/12/2014)

Finance, Revenue and Bonding Committee

Joint Favorable

Yea 50 Nay 0 (04/01/2014)